

# Optional Group Term Life Insurance Program

For Employees of the State of Tennessee

Answers to your  
most common  
questions



**MINNESOTA LIFE**

A Securian Company

**PARTNERS  
FOR HEALTH**

## What are my coverage options?

Coverage type	Coverage options	Additional information
<b>Optional Term Life Insurance</b>	\$5,000 increments	<p>Maximum coverage is the lesser of seven times annual base salary or \$500,000</p> <p>Five times base annual salary is guaranteed without proof of good health if chosen within 30 calendar days from date of hire.</p>
<b>Spouse Optional Term Life Insurance</b>	\$5,000 increments	<p>Coverage options:</p> <ul style="list-style-type: none"> <li>Spouse under age 55: \$5,000, \$10,000, \$15,000, \$20,000, \$25,000, \$30,000</li> <li>Spouse age 55 or older: \$5,000, \$10,000, \$15,000</li> <li>All coverage is guaranteed if chosen within 30 days of initial eligibility</li> <li>Age is based on Spouse's date of birth as of last birthday</li> <li>An employee may not enroll his/her spouse for coverage if spouse is already eligible for coverage as an employee.</li> <li>Employee does not need to participate in the Optional Term Life program to choose Spouse Optional coverage</li> </ul>
<b>Optional Child Term Life Rider</b>	\$5,000 or \$10,000	<p>All child coverage is guaranteed</p> <ul style="list-style-type: none"> <li>Children are eligible from 24 hours to age 26</li> <li>A child may only be covered by one parent</li> <li>Employee or Spouse must participate in the Optional program to elect child coverage</li> </ul>

**Yearly Annual Enrollment Period Opportunity** - Each year during the Annual Enrollment Period, employees currently participating in the Optional Term Life program may increase their life insurance by one \$5,000 increment to a maximum of five times base annual salary without providing proof of good health.

Employees who are not currently participating in the program, or those previously declined for coverage may apply for coverage by providing proof of good health. The insured employee or spouse may reduce coverage to no less than \$5,000.

## What plan features are available?

Beyond paying a benefit in the event of your death, the State of Tennessee optional Group Term Life insurance plan has other important features.

**Waiver of premium** – If you become totally disabled before age 60, and remain disabled for nine consecutive months, your life insurance premiums may be waived.

**Accelerated Death Benefit** – If an insured person becomes terminally ill with a life expectancy of 12 months or less, he/she may request early payment of up to 100 percent of the life insurance amount.

**Continue your coverage** – If you are no longer eligible for coverage as an active employee, you may port your group life insurance coverage or you may convert your life coverage to an individual life insurance policy.

- **Portability** – Continues coverage as a term policy, which terminates at age 70. Rates are the same as active employees.
- **Conversion** – Converts coverage to an individual policy that will last your whole life. Rates will be higher than those paid by active employees.

## How much does it cost?

### Optional Term Life Insurance and Spouse Optional Term Life Insurance

Monthly rate per \$1,000 of coverage

Age	Rates
Under 25	\$0.044
25-29	\$0.044
30-34	\$0.047
35-39	\$0.058
40-44	\$0.088
45-49	\$0.150
50-54	\$0.252
55-59	\$0.393
60-64	\$0.612
65-69	\$1.016
70-74	\$1.417
75-79	\$2.177
80 and over	\$3.934

Rates are subject to change. Employee and Spouse rates increase with age.

### Optional Child Term Life Rider

One monthly premium covers all eligible children

\$2,500	\$0.25 / month
\$5,000	\$0.50 / month
\$10,000	\$1.00 / month

### Example

1. Your coverage amount = \_\_\_\_\_
  2. Divide your coverage amount by 1,000 =  $\frac{\text{_____}}{\$1,000 \text{ increments of coverage}}$
  3. From the table on the right, find the rate that corresponds with your age = \_\_\_\_\_  
Rate from table
- X \_\_\_\_\_  
Answer from #2
- + \_\_\_\_\_  
\$0.30  
Monthly administrative charge\*
- = \_\_\_\_\_  
Your monthly insurance premium



\*Monthly administrative charge on Optional Term Life and Spouse Optional Life.



## Life insurance 101: What do I need to know?

Life insurance is important to your financial security. As a vital part of your financial plan, it needs to be reviewed regularly. As you experience changes in your life and career, your goals and protection needs may change.

## Why do I need life insurance?

Life insurance is an essential part of any financial program. Most people buy life insurance to replace income that would be lost at the death of a wage earner. The cash provided by life insurance also can help ensure your dependents are not burdened with significant debt when you die. Life insurance proceeds could mean your dependents won't have to sell assets to pay outstanding bills or taxes. An important feature of life insurance is that generally no income tax is payable on proceeds paid to beneficiaries. If you have questions about tax matters, talk to your tax advisor.

This information should not be considered tax advice. You should consult your tax advisor regarding your own tax situation.

## How much life insurance do I need?

Before buying life insurance, you should bring together your personal financial information and review your family's needs. There are a number of factors to consider when determining how much protection you should have. These include:

- Any immediate needs at the time of death, such as final illness expenses, burial costs and estate taxes;
- Funds for a readjustment period, to finance a move or to provide time for family members to find a job; and
- Ongoing financial needs, such as monthly bills and expenses, daycare costs, college tuition or retirement.

Our [insurance needs calculator](#) will help you determine how much insurance you may need to sufficiently provide for the well-being of your family.

## How do I choose a beneficiary?

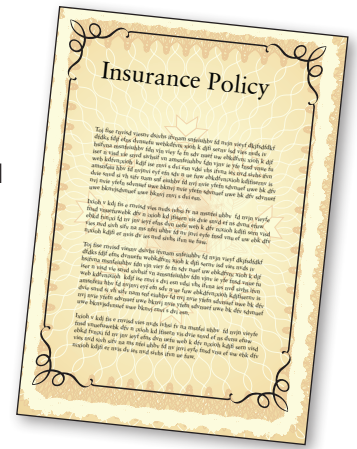
Designating a beneficiary is an important right of life insurance ownership. It lets you determine who receives your policy benefits. Under current tax law, life insurance benefits paid to a beneficiary are generally not taxable income.

### Common terminology

- **Primary Beneficiary** — The person or persons named will be the first to receive the proceeds.
- **Contingent (Secondary) Beneficiary** — Policy benefits will be paid to the contingent (secondary) beneficiary, if the primary beneficiary is not living.
- **Irrevocable Beneficiary** — Once you designate an irrevocable beneficiary, you may not change it without the beneficiary's written permission.
- **Default Beneficiary** — If you do not make a beneficiary designation for your Optional Group Term Life insurance coverage, or if there is no named beneficiary alive at the time of your death, benefits will be paid in the following order of priority: your spouse, if living; otherwise your natural and legally adopted children, if living; otherwise your parents, if living; otherwise your estate.

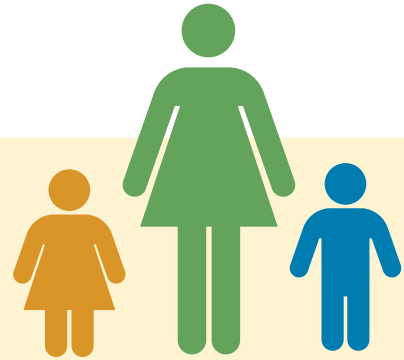
For Spouse Optional Term Life insurance, you may designate a beneficiary. If no beneficiary is designated, the employee will be the default beneficiary for this coverage. If the employee is no longer living, the benefits will be paid to the estate of the Spouse.

For the Optional Child Term Life rider, the employee is automatically the beneficiary. If the employee is no longer living, the benefits will be paid to the estate of the Child.



## How to designate multiple beneficiaries

After determining whom you want to select as your beneficiary or beneficiaries, you may then choose what percentage of the benefit each individual should receive.



### For example:

Primary Jane Doe, daughter, and John Doe, son

- Jane and John will equally share the proceeds. If any additional children are born, they will not be eligible to receive a portion of the proceeds.

Primary Susan Doe, spouse

Contingent Jane Doe, daughter, 75 percent and John Doe, son, 25 percent.

- The proceeds will be paid to Susan Doe. If Susan is not living, then the proceeds will be paid 75 percent to Jane Doe and 25 percent to John Doe.

Primary William Doe, Trustee, his successors or successor in trust under the William Doe Revocable Trust Agreement. Executed by the insured on June 1, 1995.

- The proceeds will be paid to a formal trust. If the Trust is an institution, the address of the institution should be included.

## What is medical underwriting, and why must I answer health questions?

Most group life policies offer a certain amount of guaranteed coverage. When you apply for more than the guaranteed amount of insurance, you need to provide Evidence of Insurability (EOI). You will complete your Evidence of Insurability online when you enroll for coverage. After enrollment, the system will prompt you to complete the Evidence of Insurability process.

If you would like to complete your Evidence of Insurability via paper, please click [here](#) for the *Evidence of Insurability* form.

## What is the underwriting process?

When your EOI reaches Minnesota Life's office, we create a record for you. An underwriter then reviews your EOI. Factors such as current physical condition, medical history, height and weight are considered to determine if you meet the company's acceptance standards for this type of insurance.

## What information is required?

Most EOI forms are processed using only the information you provide. However, in some cases, a physical examination is needed. The basic physical examination includes height, weight, pulse, blood pressure and a medical history questionnaire. The examination may include special testing such as a blood test, urinalysis and an EKG.

If an examination by a qualified medical professional is required, we will notify the exam center of any required testing, and you will receive notification which will include a brochure to help you prepare for the examination. The exam service will contact you to schedule an appointment. Most exams can be done in the convenience of your own home and take less than 30 minutes. There is no charge for the examination, and a copy of the exam and lab results are available to you at no cost.

Minnesota Life may also call or send a letter to you to clarify information during the evaluation process. A review of your past medical records may be necessary to evaluate your EOI. If so, we will request these from your doctor or other health care provider by mail. We will also send a letter notifying you that your medical records have been requested. Your medical records are considered confidential, and information is not released to anyone else without your consent or a court order.



## How long does it take?

When you complete the physical examination, a report of the examination is sent to Minnesota Life. We usually receive the reports in our office within a week of the examination. If blood tests or a urinalysis are needed, they are handled by an independent laboratory. Those results are received within a week to 10 days of the examination. If we need to write to your doctor for medical records, there may be some delay in the doctor's office responding to our request. Sometimes it helps if you call the doctor's office and ask for a prompt response.

Once we receive all the information requested, we will review it promptly. We will notify you of our decision by mail. Infrequently, additional information might be needed. If further information is needed to evaluate your EOI, we will notify you by mail within a few days.

## How do I make changes to existing coverage?

Log in to [www.LifeBenefits.com](http://www.LifeBenefits.com) using your user ID, which is TN + your EdisonID number, and your password. Your initial password is your eight-digit date of birth (MMDDYYYY) followed by the last four digits of your Social Security number. If you have already logged in to LifeBenefits.com, your password will be what you changed it to. If you have questions or are not able to log in, please contact Minnesota Life directly at **1-866-881-0631**.

## What do I do if I have a claim?

Minnesota Life is committed to providing superior service to you and your family when you have a claim. Our goal is to process all claims promptly, fairly and courteously. Most claims are processed in 5-10 business days of receipt of the necessary claim information.

If you or your family wish to present a claim, please contact Minnesota Life at **1-888-658-0193**.

## How do I learn more about Minnesota Life?

We are highly rated by the major independent rating agencies that analyze the financial soundness and claims-paying ability of insurance companies. Learn more about Minnesota Life [here](#).

This is a summary of plan provisions related to the insurance policy issued by Minnesota Life to the State of Tennessee. In the event of a conflict between this summary and the policy and/or certificate, the policy and/or certificate shall dictate the insurance provisions, exclusions, all limitations, and terms of coverage. Products are offered under policy form MHC-96-1380.41 and 04-30686.

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### Minnesota Life Insurance Company

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### Group Insurance

[www.LifeBenefits.com](http://www.LifeBenefits.com)

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